



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

DOGM
MINERALS PROGRAM
FILE COPY

October 23, 1989

TO: Wayne Hedberg, Permit Supervisor
FROM: Holland Shepherd, Permit Lead HWS
RE: Moab Salt, Surety Agreement, M/019/005, Grand County, Utah

I have looked at the most recent surety submittal from Moab Salt (attached). I am re-routing it to your for your review.

I spoke to Oliver Gushee concerning this new submittal. Apparently, Moab Salt is now asking for a modified self bond. According to Oliver, he spoke to Greg Williams, Board Chairman, about the original self bond rejection. Greg told him that basically the 100-year time-frame was a flag and that if the operator would reduce the time-frame, a self bond might be approved.

Oliver later met with Lowell Braxton and proposed putting together the attached package of information. After discussions with Dianne Nielson concerning the new proposal, Oliver was told the Division would support it and to submit the amended information.

The new proposal discusses a 10-year bond term and annual financial statements. The Reclamation Contract discusses 3 bonds supported by an Insurance Company. These are existing \$25,000 statewide bonds to cover property leased from the State and BLM. The total amount covered is \$75,000; this discounted from 9.7 million equals 9.625 million, which would be covered by the self bond.

Oliver indicates, in the letter submitted with the forms, that the forms have, again, been edited. We will need to recruit Barbara Robert's help in reviewing these changes.

jb
Attachment
cc: Dianne Nielson
Lowell Braxton

MN4/166

an equal opportunity employer